

MINUTES OF THE
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE
MONDAY, JANUARY 31, 2005, 2:00 P.M.
Room W020, West Office Building, State Capitol Complex

Members Present: Sen. Greg Bell, Co-Chair
Rep. Kory M. Holdaway, Co-Chair
Sen. Carlene Walker
Sen. Ron Allen
Rep. Sheryl Allen
Rep. David Clark
Rep. Bradley Daw
Rep. Margaret Dayton
Rep. Gregory H. Hughes
Rep. Scott L. Wyatt
Rep. Patricia W. Jones
Rep. Carol Spackman Moss
Rep. LaWanna "Lou" Shurtliff

Members Excused: Sen. Peter Knudson
Sen. Dan Eastman
Rep. Susan Lawrence

Staff Present: Boyd A. Garriott, Senior Legislative Fiscal Analyst
Debra Headden, Legislative Fiscal Analyst
Rolayne Day, Secretary

Public Speakers Present: Commissioner Richard Kendell
Rep. Menlove
Carl Wilson, State Director of Special Education
Mark Spencer, Associate Commissioner, USHE
Pres. Darrell White, UCAT
Mike Bouwhuis, DATC Campus President

A list of visitors and a copy of handouts are filed with the committee minutes.

Committee Co-Chair Holdaway called the meeting to order at 2:07 p.m.

Sen. Bell assumed the Committee Chair

1. H.B. 74, Tuition Reimbursement Program for Students Seeking Teacher Licensure in Disability or Special Education—Rep. Menlove said there is a chronic and critical shortage of special education teachers, school psychologists, and speech and language pathologists throughout Utah. There is also a high turnover rate among new teachers coming into the field; many districts must hire special education teachers without critical licensure. H.B. 74 would establish loan and incentive funds for students who intend to become special education teachers. The program specifically targets people who are making career changes and/or those who want to go back into the workforce. It also provides a \$500 incentive once a student is accepted into an appropriate program. Students would secure their own tuition expenses and would be reimbursed one year of tuition for each year they teach in Utah. Rep. Menlove noted the fiscal note of \$500,000 and said there are 200 potential students already at institutions throughout the State. The program is similar to the T. H. Bell Scholarship that targets recent high school graduates who are full-time students. Rep. Dayton asked if the \$500 incentive is attached to any follow through. Rep. Menlove said it was not, but she is open to an amendment. Reps. Jones and Moss spoke in favor of the bill.

Sen. Bell asked if the committee wanted to consider putting H. B. 74 on the Wish List. Rep. Holdaway said it is critical to the State. Rep. Shurtliff wanted it put on the list with the realistic fact that final decisions will be made later. Rep. Dayton wanted to wait to see how the bill fits with the T. H. Bell Scholarship and what public education

does. Carl Wilson, State Director of Special Education, said public education gives more than \$2 million each year in federal IDEA Discretionary Funds to various institutions who prepare special education teachers. They also pay to mentor beginning teachers to help with retention.

2. T.H. Bell Scholarship—Analyst Boyd Garriott said the Board of Regents has requested \$450,000 in one-time money to cover the projected shortfall in the T. H. Bell Scholarship (Tab 3, Issue Brief 11). The purpose of the scholarship is to recruit and train superior candidates for educational fields with critical teacher shortages in Utah's public and private schools. The request is not on the Analyst's priority list. One concern is the allocation of awards. The Utah Code states that "Incentive loans shall be awarded in accordance with prioritized critical areas of need for teaching expertise within the state's public education system as determined by the State Board of Education. (53B-10-101(5)(c))" Only seven percent of the students who receive the award are actually teaching in critical areas. The Analyst recommends that the T.H. Bell Scholarship be awarded as intended and that the \$750 per semester stipend be awarded as an incentive to attract more students to fields of critical teacher shortages. Mr. Garriott noted that stipends have not been awarded since 1994.

Mark Spencer, USHE Associate Commissioner, said students who want a second baccalaureate degree and who did not receive a teaching certificate in the first baccalaureate could apply for the T.H. Bell Scholarship. They have not avoided giving the scholarship to students in critical areas, they just haven't had students apply in those areas.

Rep. Hughes said the money isn't being used appropriately, so why should the Legislature give more. Mr. Garriott said there should be accountability on scholarship recipients' intentions. Mr. Spencer said they award all the candidates who identify themselves as special education majors. Sen. Walker said if the system is fully funding all that apply more money is unnecessary. She suggested amending the law to use some of the T. H. Bell Scholarship funding for people who want to change careers and go into special education. Mr. Spencer said students who receive the Scholarship are also going into the critical areas of science and math. Sen. Bell asked the Commissioner's Office to get together with Rep. Hughes, Sen. Walker and Rep. Menlove to discuss the issues and report back to the Higher Education Subcommittee.

3. Americans with Disabilities—Analyst Debra Headden said ADA was designed to remove obstructions that prevent disabled persons from fully participating in activities that are available to the general public (Tab 3, Issue Brief 12). Although the Analyst doesn't recommend the request of \$600,000, the Legislature may want to consider this request. Funding has primarily been handled with internal relocations along with some supplemental funding.
4. UCAT—Ms. Headden said the UCAT mission is to provide applied technology education to ensure a skilled and educated workforce (Tab 16, Issue Brief 1). Previous to the creation of UCAT, funding for the applied technology centers was calculated by a system-wide average enrollment growth factor. This approach did not fund institutions based on actual enrollment growth and did not account for varying costs of instruction. A new funding formula began in FY 2004 that includes enrollment growth based on a three-year enrollment average and the funded target. The formula includes three components: enrollment growth for new students, base support for existing students, and systemwide initiatives.

UCAT requests a total of \$3.8 million for unfunded and new growth. The Analyst recommends funding only the new growth, but because the unfunded growth did occur and there should not be a negative impact on any one institution, it is recommended that \$398,800 be allocated based on unfunded and current-year growth for FY 2006.

When UCAT was established, the Legislature was concerned about requests for new facilities (Tab 16, Issue Brief 2). Legislation creating UCAT clearly encourages cooperative use of instructional space with higher and public education and public and private agencies. UCAT cannot ask for new facilities until all available facilities are fully utilized, so leasing is an important component of the UCAT budget. Two of the five campuses who do not own their own space have been fully funded for leases; three of those campuses (Dixie, Mountainland and Salt Lake-Tooele) have been partially funded and are requesting lease funding this year at \$758,300. In addition, the Dixie and Salt Lake-Tooele Campuses request a supplemental appropriation for FY 2005 of \$489,300. The Analyst recommends an appropriation of \$130,000 for Dixie ATC for the Harmon Building at \$75,000 and the Diesel Garage at \$55,000.

Rep. Dayton expressed concern that the Legislature created a situation where instructional costs are jeopardized because of high lease costs. Mr. Garriott said there is a bill that would allow a UCAT institution to enter into lease/purchase agreements. Public education is partnering with UCAT for a Mountainlands building. He said statute allows higher education to purchase a facility if leasing is more expensive.

The Analyst recommends \$269,000 for the Mountainland Applied Technology Campus in lease funds for the Spanish Fork Campus. The Analyst also recommends \$359,300 for Salt Lake-Tooele ATC leases for the Main Campus (\$67,900), the West Valley Training Center (\$172,600), and the West Valley Campus (\$118,800).

The Analyst recommends an O&M appropriation of \$9,100 for the Business Depot on the Ogden-Weber ATC Campus (Tab 16, Issue Brief 3). The Analyst recommends that the O & M request of \$296,800 be considered only if and when the Legislature authorizes the purchase of the Bourn Building for Bridgerland ATC. The request could be included in the fiscal note for S.B. 86 authorizing this purchase.

Each campus had their own financial and student information system when they came together as UCAT (Tab 16, Issue Brief 4). A committee comprised of representatives from all UCAT campuses and administration and the Office of the Commissioner of Higher Education evaluated UCAT needs for the open entry/open exit format and seat time needs. In October 2004, DATC made the in-house Galaxy system available to two other campuses. The Analyst recommends one-time funding of \$482,500 for FY 2006 for a student information system for equipment and software purchases. In addition, the Analyst recommends the following: (1) The system should be centralized at the location of the UCAT President; (2) The President's Office should prepare written policies and procedures for standardization of data collection and reporting; and (3) UCAT should develop a plan for phasing in additional components for financial, personnel, and procurement function in conjunction with the student services component.

Sen. Walker said there is a bill to put all State IT functions under one umbrella. Rep. Clark said there is legislation to get all State systems working together, but it will only deal with the executive branch this year. Pres. Darrell White said the Galaxy system is owned by DATC. The first goal was to get the nine UCAT campuses to talk with each other and the broader goal is to interact with other higher education institutions. DATC Campus Pres. Michael Bouwhuis said testing with systems at Weber State show the Galaxy system is compatible with systems in higher education if they go through the Commissioner's Office.

The Analyst recommends a one-time appropriation of \$500,000 (Tab 16, Issue Brief 5) for Custom Fit. The Analyst also recommends that UCAT administration along with staff and base funding move to one of the UCAT campuses making it the main campus with eight branch campuses (Tab 16, Issue Brief 6). The Analyst also recommends that Dixie and Southeast ATC Campuses continue to use the respective colleges in those regions as fiscal agents until funding can be provided.

Although the Analyst does not recommend the Central Administrative Support request, the Subcommittee may want to consider funding them (Tab 16, Issue Brief 7). This request covers \$75,000 for accreditation expenses; \$75,000 for membership in the Utah Academic Library Consortium, both in on-going funding; and \$1,000,000 in one-time funding for equipment.

UCAT has requested expansion funding on eight of the nine campuses, four of which are in nursing at \$1,151,900 (Tab 16, Issue Brief 8). The Analyst does not recommend this funding, but does recommend that UCAT participates in the USHE Nursing Initiative. UCAT also requests program outreach funding for underserved areas at Dixie ATC (\$70,000), the Southeast ATC (\$288,000), the Southwest ATC (\$170,000), and the Uintah Basin ATC (\$83,400).

UCAT requests ADA funding at \$159,300 at four of the nine campuses (Tab 16, Issue Brief 9). The Analyst recommends that the Legislature consider an appropriation for ADA as funding needs are prioritized.

Interim UCAT President Darrell White distributed a summary of the UCAT requests. Compensation is the first priority with a request for a package comparable to other institutions and State employees. Forty-six percent of UCAT employees fall below 90% of a benchmarked position and the increased funding would allow the Board of Trustees to address retention issues.

The second priority request is enrollment growth at \$3.8 million to support 781,933 membership hours. They cannot charge public education students, so this is the only way to get growth funding. A significant number of students are unemployed or underemployed, so low tuition is critical. UCAT serves nearly 52,000 students statewide.

The third priority request is for Core College Support at \$410,000 for basic financial information management functions for student services and \$482,500 for a student information system. They are severely challenged with only 3.4 FTE employees in central administration.

Pres. White said UCAT considered moving central administration to a branch campus a year ago. However, after serious consideration, it was determined that UCAT should be independent of an institution and stay at the Board of Regents complex. They are able to share staff and space, but he doesn't even have a secretary at this time.

Pres. White said current laws put UCAT at a disadvantage regarding leasing rather than purchasing buildings. He noted that well over 70 percent of new money will go for leases. As the institutions grow and mature, that issue must be dealt with. Fuel and Power must be paid, and when it goes unfunded by the Legislature, it comes out of training programs. The request for \$1 million in capital equipment would be used to train the workforce; tomorrow's workforce cannot be trained with yesterday's equipment.

5. Prison Recidivism—Ms. Headden reported that three higher education institutions provide educational programs to prisoners (Tab 3, Issue Brief 13). Prison recidivism funding has not been increased for several years. Bills in prior years have appropriated money for university extension programs at county jails in Beaver, Duchesne, San Juan, and Washington Counties. USU is not currently providing prisoner education in Beaver and Washington Counties. SLCC is having difficulty sustaining prison programs with current funding and have reallocated funding from other programs to cover the deficit. The Legislature may want to consider increasing funding for SLCC prison programs so those programs will continue. The Analyst recommends that USU prepare a report showing why they are not complying with legislation to serve prisoners in Beaver and Washington Counties.
6. Calculation of Compensation—Mr. Garriott said the state paid for all compensation increases regardless of the allocation of funds prior to 1994 (Tab 3 issue Brief 17). In 1994 the Executive Appropriations Committee recommended that line items with multiple funding sources pay a proportionate share of the cost of funding a salary adjustment and compensation costs. Tuition income met the criteria of income, and higher education was required to participate in the proportionate funding.

Since so many of the subcommittee members had left the meeting, discussions on the calculation of compensation and the institution funding correction will be held until the next meeting.

MOTION: Rep. Moss moved to adjourn.

Committee Co-Chair Bell adjourned the meeting at 4:25 p.m.

Minutes were reported by Rolayne Day, Secretary.

Sen. Greg Bell, Committee Co-Chair

Rep. Kory M. Holdaway, Committee Co-Chair